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John W. Clay
Commissioner

August 20, 2008

Philip Back
Letcher County Water and Sewer District, Sewer Division
P. O. Box 827
Whitesburg, KY 41858

CERTIFICATE OF SERVICE

RE: Case No. 2008-00227
Letcher County Water and Sewer District, Water Division

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on August 20, 2008.

Executive Director

SS/tw
Enclosure



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LETCHER COUNTY)
WATER AND SEWER DISTRICT FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO.
NECESSITY TO CONSTRUCT A WATERWORKS) 2008-00227
IMPROVEMENTS PROJECT PURSUANT TO KRS)
278.020 AND 278.300)

O R D E R

On June 19, 2008, Letcher County Water and Sewer District ("Letcher District") applied for a Certificate of Public Convenience and Necessity ("CPCN") to construct a waterworks improvements project to serve the Crafts Colley area of Letcher County.¹ Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Letcher District proposes to construct and install approximately 9,284 linear feet of 6-inch water line; 12,050 linear feet of 4-inch water line; 8,631 linear feet of 3-inch water line; and appurtenances.
2. The project will enable Letcher District to serve approximately 190 households.
3. Letcher District is funding this proposed project with the proceeds of an Abandoned Mine Land grant in the amount of \$647,526.

¹ Although its application mentions KRS 278.300 in the style of the case, Letcher District did not request authorization to issue any securities or evidences of indebtedness. Letcher District proposes to fund this project through an Abandoned Mine Land grant. Such funding does not require Commission authorization.

4. Bell Engineering of Lexington, Kentucky prepared the plans and specifications for the proposed improvements.

5. By a letter dated November 6, 2007, the Division of Water of the Environmental and Public Protection Cabinet has approved the plans and specifications of the proposed project.

6. The proposed project will not result in the wasteful duplication of utility facilities.

7. Public convenience and necessity require the construction of the proposed project.

IT IS THEREFORE ORDERED that:

1. Letcher District is granted a CPCN to construct improvements to its water system to service the Crafts Colley area of Letcher County as set forth in detail in its application.

2. Letcher District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. Letcher District shall furnish documentation of the total costs of this project, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.), within 60 days of the date that construction is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

5. Letcher District shall require the construction to be performed under the general supervision of a licensed professional engineer with a Kentucky registration in civil, electrical, or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

6. Letcher District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

Done at Frankfort, Kentucky, this 20th day of August, 2008.

By the Commission

ATTEST:


Executive Director